

1 BILL LOCKYER, Attorney General
of the State of California
2 RICHARD M. FRANK
Chief Assistant Attorney General
3 THEODORA P. BERGER
Senior Assistant Attorney General
4 REED SATO, SBN 087685
WILLIAM BRIEGER, SBN 121346
5 MELINDA VAUGHN, SBN 120446
Deputy Attorneys General
6 P.O. Box 944255
Sacramento, California 94244-2550
7 Telephone: (916) 324-8630
Facsimile: (916) 327-2319
8

ENDORSED
FILED
San Francisco County Superior Court

JUL 17 2002

GORDON PARK-LI, Clerk
BY: GARTH SAYERS
Deputy Clerk

9 Attorneys for Plaintiffs, PEOPLE OF THE STATE OF CALIFORNIA and
BILL LOCKYER, Attorney General of the State of California

10 DENNIS HERRERA,
City Attorney
11 JOANNE HOEPER
Chief Trial Attorney
12 MARGARITA GUTIERREZ, SBN 166215
ROSE-ELLEN HEINZ, SBN 181257
13 CURTIS CHRISTY-CIRILLO, SBN 188105
1390 Market Street, Sixth Floor
14 San Francisco, California 94102-5408
Telephone: (415) 554-3852
15 Facsimile: (415) 437-4644

16 Attorneys for Plaintiffs, PEOPLE OF THE STATE OF CALIFORNIA

17 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

18 IN AND FOR THE COUNTY OF SAN FRANCISCO

19 UNLIMITED JURISDICTION

20 PEOPLE OF THE STATE OF
21 CALIFORNIA,

22 Plaintiffs,

23 v.

24 ATLANTIC RICHFIELD COMPANY,
PRESTIGE STATIONS, INC., and DOES 1-
25 500,

26 Defendants,

No. GGC-02-409327

CONSENT AGREEMENT AND
STIPULATION FOR ENTRY OF
FINAL JUDGMENT; (~~PROPOSED~~)
ORDER

27 ///

28 ///

1 WHEREAS, the PEOPLE OF THE STATE OF CALIFORNIA (hereinafter
2 "Plaintiffs") investigated whether Underground Tank Systems owned or operated by
3 ATLANTIC RICHFIELD COMPANY and PRESTIGE STATIONS, INC. (hereinafter
4 collectively referred to as "ARCO" or "Settling Defendants") contained single walled, non-
5 fiberglass components that were prohibited for use in Underground Tank Systems after
6 December 22, 1998. As used herein, "Underground Tank System" means an underground
7 storage tank, connected piping, ancillary equipment, and containment system, if any, installed at
8 an ARCO motor vehicle fuel retail facility in the State of California;

9 WHEREAS, the Attorney General of the State of California ("Attorney
10 General"), in coordination with the State Water Resources Control Board ("State Board") and
11 the California Environmental Protection Agency ("Cal/EPA"), issued a subpoena to the
12 ATLANTIC RICHFIELD COMPANY requesting records pertaining to its ownership and
13 operation of Underground Tank Systems in the State of California;

14 WHEREAS, the City Attorney of San Francisco and the San Francisco
15 Department of Public Health assisted the State Board-Cal/EPA investigation of Underground
16 Tank Systems owned or operated by ARCO or its subsidiaries in the City and County of San
17 Francisco. The City Attorney also represents the People of the State of California with regard to
18 Underground Tank Systems owned or operated by ARCO within the City Attorney's
19 jurisdiction;

20 WHEREAS, Plaintiffs' investigation has found single walled, non-fiberglass
21 components that Plaintiffs allege are noncompliant with upgrade requirements at 59 motor
22 vehicle fuel retail sales facilities consisting of what the Plaintiffs contend are more than 150
23 Underground Tank Systems;

24 WHEREAS, the Plaintiffs agree that ARCO cooperated with the Attorney
25 General, the State Board and Cal/EPA in connection with this investigation and in response to
26 the Attorney General's subpoena. Among other things, ARCO voluntarily conducted its own
27 investigation of the dispenser and turbine piping of its Underground Tank Systems at all ARCO
28 facilities throughout California. ARCO worked cooperatively with Cal/EPA and SWRCB to

1 resolve potential compliance issues promptly. In connection with this investigation, ARCO
2 ceased operation of multiple Underground Tank Systems with the concurrence of the State
3 Board, including ceasing operations of Underground Tank Systems that ARCO believed were
4 compliant with upgrade requirements. In addition, ARCO is completing a facility improvement
5 program, including elements beyond those required by law, that is intended to result in the
6 replacement of existing single walled Underground Tank Systems which ARCO believes to be
7 compliant with upgrade requirements with new double-wall Underground Tank Systems for all
8 ARCO facilities in California. ARCO represents that it has implemented other programs to
9 enhance environmental protection, including installation of monitoring probe stabilizers to
10 improve the electronic monitoring systems used to detect potential leaks in its Underground
11 Tank Systems at over 900 facilities state-wide and the implementation of a state-wide vapor
12 recovery testing program. ARCO represents that it intends to work closely with state and local
13 regulators to address future environmental protection and compliance issues related to
14 Underground Tank Systems;

15 WHEREAS, the Plaintiffs have engaged in settlement negotiations with the
16 Settling Defendants. The Plaintiffs and the Settling Defendants (hereinafter collectively referred
17 to as "the Parties") have agreed to settle the investigation without litigation and by lodging this
18 settlement simultaneously with a complaint. The Plaintiffs believe that the resolution of the
19 violations alleged in the Complaint is fair and reasonable and fulfills the Plaintiffs' enforcement
20 objectives, that no further action is warranted concerning the specific violations alleged in the
21 Complaint except as provided pursuant to the Consent Judgment, and that this Consent
22 Judgment is in the best interest of the general public.

23 IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

24 1. INTRODUCTION.

25 In this action, Plaintiffs filed a civil complaint (the "Complaint") in San
26 Francisco Superior Court against Settling Defendants. The Parties settle this action on the terms
27 set forth in this Consent Agreement and Stipulation for Entry of Final Judgment (hereinafter
28 "Consent Judgment").

1 2. COMPLAINT.

2 The Complaint in this action alleges that the Settling Defendants violated
3 upgrade provisions of Chapter 6.7 of the California Health and Safety Code at specific facilities
4 identified in Exhibit "A" of the Complaint (hereinafter collectively referred to as the "ARCO
5 Facilities"). The Complaint further alleges that Settling Defendants: i) deposited motor vehicle
6 fuel in Underground Tank Systems which did not comply with the upgrade requirements of
7 Chapter 6.7 of the Health and Safety Code in violation of Health and Safety Code Section
8 25292.3; and ii) engaged in unfair business practices through the use of non-upgraded
9 Underground Tank Systems and the delivery of motor vehicle fuel to such non-upgraded
10 Underground Tank Systems. The complaint further alleges violations of operational
11 requirements for Underground Tank Systems at three ARCO facilities in the City and County
12 of San Francisco.

13 3. JURISDICTION.

14 The Plaintiffs and Settling Defendants agree that the Superior Court of
15 California, County of San Francisco, Unlimited Jurisdiction has subject matter jurisdiction over
16 the matters alleged in this action and personal jurisdiction over the parties to this Consent
17 Judgment.

18 4. SETTLEMENT OF DISPUTED CLAIMS.

19 ARCO expressly denies the allegations in the Complaint and the Consent
20 Judgment. The Consent Judgment is not an admission by ARCO regarding any issue of law or
21 fact in the above-captioned matter or any violation of any law. The Parties enter into this
22 Consent Judgment pursuant to a compromise and settlement of disputed claims set forth in the
23 Complaint for the purpose of furthering the public interest. Settling Defendants waive their
24 right to a hearing on any matter covered by the Complaint prior to the entry of this Consent
25 Judgment.

26 5. CIVIL PENALTIES AND COSTS OF INVESTIGATION.

27 5.1 Amount of Payment: Settling Defendants will pay a total of TWENTY-
28 FIVE MILLION DOLLARS (\$25,000,000) which will be allocated as follows:

1 a. **Penalties:** Settling Defendants will pay a total civil penalty of
2 TWENTY-ONE MILLION, ONE HUNDRED AND FORTY THOUSAND
3 DOLLARS (\$21,140,000.00). The penalties are allocated as follows:

4 i) Pursuant to Health and Safety Code Section 25299(f) to the State
5 Water Pollution Cleanup and Abatement Account in the State Water
6 Quality Control Fund - EIGHTEEN MILLION, SIX HUNDRED FORTY
7 THOUSAND DOLLARS (\$18,640,000)

8 Of this amount, \$1,000,000 may be used by the State Board, at its
9 discretion, to fund the Environmental Circuit Prosecutors Project. The
10 remainder of the funds paid into the State Water Pollution Cleanup and
11 Abatement Account pursuant to this Consent Judgment shall be used
12 solely for the other permissible purposes set forth in Water Code Section
13 13442 and 13443.

14 ii) Pursuant to Government Code Section 12651- ONE MILLION,
15 FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000)

16 iii) Pursuant to Business and Professions Code Section 17206- ONE
17 MILLION DOLLARS (\$1,000,000)

18 The City and County of San Francisco is entitled to \$500,000 of this
19 award pursuant to Business and Professions Code Sections 17200 et seq.

20 b. **Costs of Investigation and Enforcement:** Settling Defendants shall
21 reimburse Plaintiffs their costs of investigation and enforcement, including the
22 attorneys fees and costs incurred by the Attorney General's Office and the San
23 Francisco City Attorney's Office, in the total amount of EIGHT HUNDRED
24 AND SIXTY THOUSAND DOLLARS (\$860,000.00).

25 c. **Special Projects:** Settling Defendants shall pay a total of THREE
26 MILLION DOLLARS (\$3,000,000) to fund the projects as described below.

27 i) **Attorney General Environmental Enforcement Activities.** TWO
28 MILLION DOLLARS (\$2,000,000) will be placed in an interest-bearing

1 Special Deposit Fund established by the Attorney General. Those funds,
2 including any interest derived therefrom, shall be used for the following
3 environmental enforcement activities by the Public Rights Division of the
4 Attorney General's Office, until all funds are exhausted: A) funding for
5 environmental enforcement actions and investigations undertaken by the
6 Attorney General, including, but not limited to, enforcement of
7 underground storage tank laws; B) implementation of the Attorney
8 General's authority to protect the environment and natural resources of
9 the State pursuant to Government Code Section 12600 et seq. and as
10 Chief Law Officer of the State of California pursuant to Cal. Const., Art.
11 V., §13; C) implementation of the California Environmental Quality Act;
12 D) enforcement of the Safe Drinking Water and Toxic Enforcement Act
13 of 1986, and E) other environmental enforcement actions which benefit
14 the State of California and its citizens as determined by the Attorney
15 General. Such funding may be used for the costs of the Attorney
16 General's investigation, filing fees and other court costs, payment to
17 expert witnesses and technical consultants, purchase of equipment, and
18 other costs necessary to pursue the investigation, prosecution, or
19 enforcement of an environmental action investigated or initiated by the
20 Attorney General for the benefit of the State of California and its citizens.
21 The \$2,000,000 transferred into the Special Deposit Fund pursuant to this
22 Paragraph and any interest derived therefrom shall solely and exclusively
23 augment the budget of the Attorney General's Office and in no manner
24 shall supplant or cause any reduction of any portion of the Attorney
25 General's budget.

26 ii) **State Board Environmental Investigation and Enforcement**
27 **Training.** FIVE HUNDRED THOUSAND DOLLARS (\$500,000) to be
28 used by the State Board, at its discretion, to fund investigation and

1 enforcement training of state and local environmental agencies.

2 iii) Emission Evaluation Study. FIVE HUNDRED THOUSAND
3 DOLLARS (\$500,000) for use by the California Air Resources Board
4 (CARB) to evaluate the hydrocarbon emissions from materials
5 permeability associated with various fuels. The money will be used to
6 fund a study to quantify permeation emissions of various gasolines in
7 specified vehicle systems.

8 5.2 Settling Defendants shall satisfy their payment obligations to the
9 Plaintiffs under Paragraph 5.1 by issuing a single cashier's or certified check in the amount of
10 TWENTY FIVE MILLION DOLLARS (\$25,000,000.00). The payment shall be paid on July
11 15, 2002 or seven (7) days after of the entry of the Consent Judgment, whichever is later, and
12 made payable to the "California Department of Justice". The check shall bear on its face the
13 Case name, the Superior Court docket number, and the Attorney General's internal docket
14 number for this matter - 43004 430 SA 2000CV0674. The payment shall be sent to:

15 California Department of Justice
16 Accounting Section - Cashiering Unit
17 Attention: Janie Apodaca
18 1300 "I" Street, Suite 810
19 P.O. Box 944255
20 Sacramento, California 94244-2550

21 5.3 Environmental Improvement Work

22 a. Settling Defendants have represented that as of January 1, 2002, they
23 have spent TWENTY MILLION, EIGHT HUNDRED THOUSAND DOLLARS (\$20,800,000)
24 since April, 2000, to improve their Underground Tank Systems in ways that exceed regulatory
25 requirements for those systems ("Environmental Improvements"). For the purposes of this
26 Consent Judgment, Plaintiffs will credit Settling Defendants for and recognize all such proven
27 direct expenditures for the Environmental Improvements. These improvements include the
28 replacement of single walled Underground Tank Systems, including but not limited to single
walled product piping and single walled tanks, which ARCO contends were otherwise
permissible under current law with double-wall Underground Tank Systems, the installation of

1 under dispenser containment, installation of monitoring probe stabilizers intended to improve
2 the functioning of leak detection systems, and the implementation of a state-wide vapor
3 recovery testing program at over nine hundred (900) ARCO stations in California.

4 b. Settling Defendants shall provide evidence acceptable to the Attorney
5 General that ARCO has expended monies in the amount set forth above, including, without
6 limitation, a certified report by Settling Defendants describing work and the expenditures made
7 by ARCO for the Environmental Improvements and a report prepared by an independent third
8 party(ies) acceptable to the Attorney General providing such party(ies)'s professional opinion
9 that 1) Settling Defendants have expended the monies in the amounts claimed by Settling
10 Defendants and 2) the work performed was not required by applicable regulatory requirements.
11 Such evidence shall be submitted to Plaintiffs within three (3) months of the entry of the
12 Consent Judgment.

13 c. In the event that Settling Defendants are not able to demonstrate to the
14 reasonable satisfaction of the Attorney General that they have expended \$20.8 million for the
15 Environmental Improvements, Settling Defendant shall undertake additional Environmental
16 Improvement work reasonably approved by the Plaintiffs and shall incur additional costs equal
17 to the amount of the difference between the amount reasonably accepted by the Attorney
18 General and \$20.8 million. Plaintiffs may seek to enforce this requirement by noticed motion
19 by Plaintiffs, and Settling Defendants shall have the burden of proving that they have met the
20 requirements of Paragraph 5.3.(a). The Parties shall meet-and-confer prior to the filing of any
21 motion to enforce this Paragraph.

22 5.4 The California Department of Justice shall place any payments made
23 pursuant to this Paragraph 5 in its Litigation Deposit Fund and shall be responsible for
24 expeditiously distributing the funds provided by this payment to the appropriate accounts,
25 agencies and offices in the amounts provided for in this Consent Judgment, including payments
26 to accounts managed by the Office of the Attorney General, the fund established pursuant to
27 Government Code Section 12652(j), the State Water Pollution Cleanup and Abatement
28 Account, the California General Fund, and the City and County of San Francisco as set forth in

1 Exhibit "B" to the Consent Judgment.

2 5.5 A photocopy of all checks and payments made pursuant to this Consent
3 Judgment shall be sent, at the same time, to Reed Sato, Office of the Attorney General, 1300 "I"
4 Street, Suite 1101, P.O. Box 944255, Sacramento, CA 94244-2550 and Curtis Christy-Cirillo,
5 Office of the City Attorney, City and County of San Francisco, 1390 Market Street, Sixth Floor,
6 San Francisco, California 94102.

7 6. **INJUNCTIVE RELIEF**

8 Pursuant to provisions of Health and Safety Code Section 25299.01, Business and
9 Professions Code Section 17203, and the Court's equitable powers, Settling Defendants shall
10 take the following actions:

11 6.1 **Notification of ARCO Inspections** - Except for the work identified on
12 Exhibit "C", from the date of entry of this Consent Judgment until December 31, 2002, ARCO
13 shall give the State Board and local regulatory agency seventy-two (72) hours advance written
14 notice of any work that it undertakes that will expose any part of any Underground Tank System
15 which is part of a facility identified on Exhibit "G". Notification for this work to the State
16 Board shall be to Chief, Underground Storage Tank Enforcement Unit, State Water Resources
17 Control Board, via facsimile number (916) 341-5808 and to the local agency. The notification
18 shall include the following information: a) the facility address; b) a contact person; c) the ARCO
19 facility number; d) the names of the owner and operator of the Underground Tank System; and
20 e) the type of work to be performed. For the purposes of this Paragraph, ARCO will cause any
21 subsidiary, Affiliate, or parent of ARCO who is or becomes an owner or lessee of a facility
22 covered by this Paragraph to comply with this paragraph. As used herein, "Affiliate" means a
23 person that directly, or indirectly through one or more intermediaries, controls, or is controlled
24 by, or is under common control with, the person specified. Plaintiffs, at their sole discretion,
25 may extend the notification period required by this Paragraph by sending a written directive to
26 ARCO pursuant to Paragraph 9 thirty days prior to December 31, 2002. The Parties shall meet-
27 and-confer prior to Plaintiffs sending such written directive. Plaintiffs may provide for interim
28 extension periods but such extensions shall not go beyond the termination date of ARCO's

1 obligations under this Consent Judgment as provided in Paragraph 26.

2 6.2 Access - ARCO consents to the reasonable inspection of any
3 Underground Tank System which has been the subject of the notification described in Paragraph
4 6.1. by representatives of the State Board, Cal/EPA and any applicable local implementing
5 agency for the duration of the work that triggered the notification. The inspectors shall be
6 entitled to conduct their inspections in accordance with their full powers and authorities
7 governing such inspections and ARCO consents to the taking of photographs, taking samples of
8 environmental media and/or contaminated media, and obtaining copies of on-site documents.
9 Any inspectors of the State Board or Cal/EPA agree to provide, upon request by ARCO, copies
10 of any photographs and splits of any samples which they take. ARCO's consent does not
11 include removal of any component of an Underground Tank System.

12 6.3 **Cessation of the Delivery or Storage of Motor Vehicle Fuel**

13 a. Settling Defendants shall cease delivery or storage of motor vehicle fuel
14 or waste petroleum products in any Underground Tank System that it owns or operates in the
15 State of California that does not meet the applicable upgrade requirements of Health and Safety
16 Code Sections 25292(d) and (e) and Sections 2662-2666 of Title 23 of the California Code of
17 Regulations, that does not, in the case of a motor vehicle fuel Underground Tank System, have
18 an upgrade compliance certificate as required by Health & Safety Code Section 25284(e) or
19 which has single walled main product piping composed of non-fiberglass material that is
20 wrapped with tape but is not otherwise protected from corrosion by a means that meets the State
21 of California's regulatory requirements (collectively referred to as "Single walled Underground
22 Tank System"). ARCO represents that it is not aware of any Underground Tank System as to
23 which ARCO must cease delivery or storage of motor vehicle fuel or delivery or storage of
24 waste petroleum products pursuant to this Paragraph. In the event that ARCO subsequently
25 discovers any Underground Tank System that may have components that would make it a
26 Single walled Underground Tank System pursuant to this Paragraph, ARCO will immediately
27 cease use of the Underground Tank System until it determines whether the Underground Tank
28 System is not subject to this Paragraph. In the event that ARCO discovers any Underground

1 Tank System as to which ARCO must cease delivery or storage of motor vehicle fuels or waste
2 petroleum products pursuant to this Paragraph, ARCO will suspend further delivery or storage
3 of motor vehicle fuel or waste petroleum products from such system(s) as soon as reasonably
4 possible, but not later than seventy-two (72) hours after such discovery. ARCO shall provide a
5 certified, written notification to the State Board and appropriate local agency of any discovery
6 made pursuant to this Paragraph within 72 hours of discovery. ARCO shall permit access to
7 and inspection of that Underground Tank System by the Plaintiffs, State Board, local authority
8 or any authorized representative thereof. ARCO will not recommence delivery or storage of
9 motor vehicle fuel or waste petroleum products at any Underground Tank System the use of
10 which has been suspended pursuant to this Paragraph until the component of such Underground
11 Tank System that causes it to be a Single Walled Underground Tank System as defined in this
12 Paragraph 6.3(a) has been replaced with a component which meets or exceeds the applicable
13 legal requirements in the Health and Safety Code and the associated regulations to the
14 satisfaction of the local regulatory agency with jurisdiction over the Underground Tank System
15 at issue.

16 b. In the event that an Underground Tank System is closed, suspended or
17 upgraded pursuant to Paragraph 6.3., this Court retains jurisdiction to the extent provided in
18 Paragraph 7.4, to address Plaintiffs' further claims for civil penalties based on the failure to
19 comply with the upgrade requirements in Health and Safety Code Sections 25292(d) and (e) and
20 any associated claims based on or relying on such facts.

21 6.4 "Booted Components" means a swing joints, flex joints, or transition
22 product pipes that are installed after January 1, 1984 in conformance with applicable
23 requirements and that have a boot as part of a monitored, secondary containment system and are
24 connected to either a shear valve under a dispenser or to a turbine pump. For the purposes of
25 this Consent Judgment, Booted Components are not single walled piping or single walled
26 components. Paragraph 6.3 does not apply to Underground Tank Systems that have soil, pea
27 gravel or other backfill material in contact with a non-fiberglass area or the steel shear valve
28 above the Booted Components. With regard to Underground Tank Systems with Booted

1 Components, ARCO shall inspect each such Underground Tank System at least every nine
2 months commencing from the entry of this Consent Judgment to determine whether the
3 Underground Tank System has soil, pea gravel or other backfill material and is covered by this
4 Paragraph 6.4. If ARCO identifies such an Underground Tank System (during an inspection or
5 otherwise), ARCO will promptly notify the local regulatory agency and State Board, but not
6 later than seventy (72) hours after such discovery and promptly apply to the local regulatory
7 agency with jurisdiction over the Underground Tank System at issue for any necessary permit,
8 approval or authorization to remove such soil, pea gravel, or other material. ARCO will remove
9 such material to the satisfaction of the local regulatory agency as soon as possible but not later
10 than three (3) days from the date that the local regulatory agency approves the action. The
11 obligations in this Paragraph 6.4. shall not apply to any Underground Tank System at which
12 under-dispenser containment or a containment for a sump has been installed; provided however,
13 that if ARCO discovers such under dispenser containment or containment for a sump containing
14 soil, pea gravel, or other similar material, ARCO will promptly remove such soil, pea gravel, or
15 other similar material after obtaining any necessary local agency approval. Moreover,
16 Paragraph 6.3 shall not apply to i) any Underground Tank System with a manway cover
17 composed of non-fiberglass material; or ii) any Underground Tank System which uses a liquid
18 condensate collection system or a vapor recovery pot to collect liquid that condenses in the
19 vapor recovery line (collectively referred to as "vapor pots"), in each case that was installed
20 after January 1, 1984 pursuant to the approval of a local agency. Not later than seventy-two
21 (72) hours after such discovery of an Underground Tank System with such a non-fiberglass
22 manway cover or a vapor pot, ARCO will promptly notify the local agency. ARCO will
23 promptly apply to the local agency with jurisdiction over the Underground Tank System at issue
24 for any necessary permit, approval or authorization to address the existence of the non-fiberglass
25 manway cover or vapor pot to the satisfaction of the local agency as soon as reasonably
26 possible, including without limitation by isolating the manway cover from backfill material
27 though the installation of a sump or by ensuring that any non-fiberglass vapor pot is corrosion
28 protected by replacement with fiberglass components. Except as provided in this Paragraph 6.4

1 and Paragraph 6.5, Underground Tank Systems with single walled, non-fiberglass components
2 in any location within an Underground Tank System for which a containment or isolation boot
3 have not been installed as part of a secondary containment system, are not covered by this
4 Paragraph and shall be subject to the provisions of Paragraphs 6.3 and 7.4. Nothing in this
5 Paragraph is intended to prevent any local agency from exercising its lawful authority to require
6 additional work relating to the detection of corrosion of or leakage from any Underground Tank
7 System component .

8 6.5 Replacement Work for Single walled Sites.

9 a. It is ARCO's goal that all Underground Tank Systems used for motor
10 vehicle fuel retail sale which it owns or operates in the State of California shall have no single
11 walled main product piping or components, and tanks as of the date of entry of this Consent
12 Judgment.

13 b. ARCO represents that during the period after December 22, 1998 to the
14 date of entry of this Consent Judgment it has replaced single walled main product piping with
15 double-wall piping and/or it has replaced single walled tanks with double-wall underground
16 tanks at the facilities identified on Exhibit "D" hereto (collectively, the "Current Replacement
17 Facilities"), to meet the requirements of "new" Underground Tank Systems set forth in Health
18 and Safety Code Section 25291 and its implementing regulations. ARCO contends that the
19 purpose of this work was to replace single walled tanks and/or single walled main product
20 piping and its associated components that ARCO believed were in compliance with the upgrade
21 requirements set forth in Chapter 6.7 of the Health and Safety Code at the time of replacement.

22 c. If ARCO discovers any Underground Tank System in which secondary
23 containment is allegedly provided by means of a lined trench or any additional single walled
24 main product piping or single walled tank at a facility (collectively, "Future Replacement
25 Facilities"), including but not limited to single walled, non-fiberglass product piping
26 components that are covered by an isolation boot or containment boot and do not otherwise have
27 secondary containment, which is not already enjoined for storage or use pursuant to Paragraph
28 6.3., ARCO will provide written notification to the State Board and the appropriate local agency

1 within 72 hours of such discovery. ARCO shall replace such single walled main product piping
2 or single walled tank in the Underground Tank System with the appropriate double-wall
3 components or close the facility within six (6) months after discovery unless there is an earlier
4 deadline imposed by statute, regulation or ordinance. ARCO shall obtain all permits and
5 authorizations necessary to perform the replacement work required by this paragraph. In the
6 event that the necessary permits are not issued within ninety (90) days after the applications are
7 submitted for reasons beyond the control of ARCO, the six (6) month deadline for completing
8 the replacement work or cease storage or delivery of motor vehicle fuel or waste petroleum
9 products shall be extended by the same period of time that it takes for the necessary permits to
10 be issued beyond ninety (90) days.

11 6.6 Certified Reports

12 a. For any facility for which delivery or storage of motor vehicle fuel or
13 waste petroleum products is suspended pursuant to Paragraph 6.3, Settling Defendants shall
14 submit a certified report to the State Board within forty-five (45) days after notification of
15 suspension of use and then on a quarterly basis thereafter until completion of the work required
16 under Paragraph 6.3, which shall include the following, based on the information reasonably
17 available at the time: (a) the date of initial suspension of inputs and withdrawals of motor
18 vehicle fuel or waste petroleum products; (b) a description of the work undertaken to meet the
19 applicable local agency's requirements necessary to bring the Underground Tank System into
20 compliance with the Underground Tank System equipment upgrade requirements set forth in
21 Health and Safety Code Section 25291 and its implementing regulations; (c) the cost of the
22 work performed and to be performed based on available information; (d) the names of any
23 contractors and representatives of ARCO performing or supervising such work on-site; (e) the
24 names of any representative of the State Board or local agency present during the work, if
25 known; (f) projected future re-inspections; (g) any permits, approvals or authorization
26 necessary for such work; (h) the estimated date for initiating the performance of such work; and
27 (i) the estimated date for completing the work. Thereafter, when the appropriate local agency
28 determines that the Underground Tank System is in compliance with applicable legal

1 requirements, ARCO shall provide information or documentation from the local agency
2 supporting the determination, the date of such determination and the date of resumption of fuel
3 dispensing from that Underground Tank System. All work performed in the most recent
4 reporting period shall be described in bolded letters. After the submission of the original
5 notification, the report shall be provided to the State Board 30 days after the last day of each
6 quarter, and shall report on work performed through the end of the prior quarter.

7 b. Within ninety (90) days of the entry of this Consent Judgment, ARCO
8 shall provide a certified report to the State Board which describes for each of the Current
9 Replacement Facilities to the extent known by ARCO based on information in ARCO's files,
10 the replacement work , the permits obtained for the replacement work, the date that the
11 replacement work was completed, and the cost of the work performed. Nothing in this
12 Paragraph is intended nor shall it limit or abridge any requirements which may be imposed by a
13 local agency for such replacement work.

14 c. For any Future Replacement Facility, ARCO shall provide a
15 quarterly report commencing on August 31, 2002 which shall be a cumulative and
16 chronological description of any replacement work as of the end of the reporting period. The
17 report will be provided to the State Board thirty (30) days after the last day of each quarter, and
18 shall report on work performed through the end of the prior quarter. For example, the report due
19 on August 31, 2002 shall report on work done through July 30, 2002. The report shall include
20 the following information to the extent available: the location of the facility, the ARCO facility
21 number, the specific locations of the single walled piping or single walled components which
22 are being addressed and which were identified by ARCO or its contractors in the normal course
23 of construction activity, the material which comprised the single walled piping or single walled
24 components, the reasons why use of the associated Underground Tank System was not
25 terminated pursuant to Paragraph 6.3., and a description of the replacement work for the
26 reporting period and the permits obtained for the replacement work, and after completion of the
27 replacement work for a facility, a description of the results of the work, the cost of the work
28 performed, and the date that the work was completed. All work performed in the most recent

1 reporting period shall be described in bolded letters. Nothing in this Paragraph is intended nor
2 shall it limit or abridge any requirements which may be imposed by a local agency for such
3 replacement work.

4 6.7 **Withdrawal of Applications to Underground Storage Tank Cleanup**
5 **Fund.** Within thirty (30) days of the entry of this Consent Judgment, ARCO agrees to
6 withdraw its applications to the Underground Storage Tank Cleanup Fund for the facilities listed
7 on Exhibit "E". Except for the facilities set forth on Exhibit "E", ARCO is not required to
8 withdraw any applications that have been submitted to the Underground Storage Tank Cleanup
9 Fund pursuant to this Consent Judgment. The Plaintiffs agree and have provided evidence
10 acceptable to ARCO that the State Board agrees, that (i) ARCO may resubmit applications for
11 such facilities at any time following the withdrawal of such applications; (ii) the withdrawal of
12 applications for such facilities pursuant to this Paragraph will have no impact upon the
13 Underground Storage Tank Cleanup Fund's treatment of such resubmitted applications, which
14 will be prioritized based upon the date(s) of resubmission and processed by the Underground
15 Storage Tank Cleanup Fund as it would normally process any new application to the
16 Underground Storage Tank Cleanup Fund in the ordinary course of business; (iii) the
17 Underground Storage Tank Cleanup Fund will continue processing and making payments to
18 ARCO on ARCO's existing and future claims to the Cleanup Fund as it would normally process
19 such claims in the ordinary course of business; (iv) except as provided by this Paragraph, the
20 allegations in and terms of the Complaint and Consent Judgment have no impact upon any
21 applications ARCO has or will make to the Underground Storage Tank Cleanup Fund; and (v)
22 any directive given as a result of the allegations made in the Complaint to the Underground
23 Storage Tank Cleanup Fund to cease processing or making payments to ARCO on ARCO's
24 approved claims to the Cleanup Fund has been rescinded and the Cleanup Fund will continue
25 processing such approved claims with current prioritization as it would normally process such
26 claims in the ordinary course of business. Evidence acceptable to ARCO that the State Board
27 agrees to the conditions set forth in subclauses (i) through (v) above includes, without
28 limitation, a copy of the State Board's written directive to the Underground Storage Tank

Cleanup Fund requiring it to comply with the conditions set forth subclauses (i) through (v) above.

7. MATTERS COVERED BY THIS CONSENT JUDGMENT.

7.1 Except as provided in Paragraph 7.7., the Consent Judgment is a final and binding resolution and settlement of all claims, violations or causes of action alleged by the Complaint in this matter or which could have been asserted based on the specific facts alleged in the Complaint against each of the Settling Defendants and their subsidiaries, corporate parents, each of their Affiliates and parents (including, without limitation, BP West Coast Products LLC, BP Products North America Inc., BP Company North America Inc., BP Corporation North America Inc., BP America Inc., and BP p.l.c.), successors, heirs, assigns, and their officers, directors, partners, employees, representatives, agents, property owners, tank owners, and facility operators at the ARCO Facilities. The provisions of this Paragraph 7.1. are expressly conditioned on the Settling Defendants' full payment of the civil penalty and costs by the deadlines specified in the Consent Judgment and their full satisfaction of Paragraph 5.3; provided, however, that after full payment of such civil penalty and costs, the provisions of this Paragraph 7.1 will remain in full force and effect unless and until a court makes a final determination that Settling Defendants have not fully satisfied Paragraph 5.3.

7.2 The Plaintiffs covenant not to sue or pursue any further civil claims arising out of: i) any alleged or actual upgrade violations of Health and Safety Code Sections 25292(d) and 25292(e) and the implementing regulations; ii) any alleged or actual erroneous, incomplete or inaccurate information provided to governmental agencies by ARCO prior to and in connection with obtaining upgrade compliance certificates ; and iii) the act of depositing motor vehicle fuel into Underground Tank Systems that had obtained upgrade certificates from a governmental agency; against any of the Settling Defendants and their subsidiaries, corporate parents, each of their Affiliates and parents (including, without limitation, BP West Coast Products LLC, BP Products North America Inc., BP Company North America Inc., BP Corporation North America Inc., BP America Inc., and BP p.l.c.), successors, heirs, assigns, and their officers, directors, partners, employees, representatives, agents, property owners, tank

1 owners, and facility operators for any of the following facilities:

2 a. Any Current Replacement Facility provided that: i) the replacement work
3 was constructed and is maintained in accordance with applicable law; and ii) prior to the
4 replacement work there was no single walled piping or single walled tank in any Underground
5 Tank System at the facility that was in direct contact with backfill after December 22, 1998 and
6 that did not qualify for the exemptions in Health and Safety Code Section 25292(e)(2).

7 b. Any Future Replacement Facility provided that the replacement work is
8 constructed and maintained in accordance with applicable law.

9 c. Any Underground Tank System addressed in Paragraph 6.4.

10 d. Any Underground Tank System installed prior to July 1, 1987 with single
11 walled product piping composed of non-fiberglass material that is wrapped with tape but is not
12 otherwise protected from corrosion by a means that meets the State of California's regulatory
13 requirements, except to enforce the provisions of Paragraph 6.3(a).

14 e. Facilities inspected by employees of the California Environmental
15 Protection Agency, the State Water Resources Control Board, or the City and County and San
16 Francisco, listed on Exhibit "F" unless, consistent with Paragraph 6.4., such facility had an
17 Underground Tank System installed prior to January 1, 1984 which used a manway cover
18 composed of non-fiberglass material. Subject to the aforementioned exception, such facilities
19 were determined to have no material upgrade violations at the time of inspection.

20 The provisions of this Paragraph 7.2. are expressly conditioned on the Settling
21 Defendants' full payment of the civil penalty and costs by the deadlines specified in the Consent
22 Judgment and their full satisfaction of Paragraph 5.3; provided, however, that after full payment
23 of such civil penalty and costs, the provisions of this Paragraph 7.2 will remain in full force and
24 effect unless and until a court makes a determination that Settling Defendants have not fully
25 satisfied Paragraph 5.3.

26 7.3 This Consent Judgment also constitutes a covenant not to sue by the
27 People of the State of California to the extent of the jurisdiction of the City Attorney of San
28 Francisco for any known past or present claims against Settling Defendants arising from any

1 alleged or actual violations of Chapter 6.7 of the Health and Safety Code and the implementing
2 regulations, and any alleged or actual erroneous, incomplete or inaccurate information provided
3 to governmental agencies in connection with obtaining upgrade compliance certificates, and any
4 alleged or actual violations of Article 21 of the San Francisco Health Code as of the date of the
5 entry of this Consent Judgment at the facilities identified in Exhibit "G" within the jurisdiction
6 of the City and County of San Francisco.

7 7.4 Paragraphs 7.1 and 7.2 have no effect on the ability of Plaintiffs to
8 enforce the terms of the Consent Judgment. Moreover, this Court retains exclusive jurisdiction
9 to address any future claims for injunctive relief, penalty assessments, or other relief for the
10 facilities identified on Exhibit "G" against any Settling Defendant arising from or related to any
11 alleged or actual violations of Health and Safety Code Section 25299, Government Code
12 Section 12651, Business and Professions Code Section 17206, and pursuant to Article 21 of the
13 San Francisco Health Code for any facility under the jurisdiction of the San Francisco
14 Department of Health, if any Underground Tank System at such facility violates or allegedly
15 violates: (i) the Underground Tank System equipment upgrade requirements set forth in Chapter
16 6.7 of the Health & Safety Code and implementing regulations, including without limitation the
17 applicable sections of Section 25291 and 25292 of the Health & Safety Code and the applicable
18 sections of Articles 3 and 6 of title 23 of the California Code of Regulations; (ii) the
19 requirement to have an upgrade compliance certificate pursuant to Health & Safety Code
20 Section 25284(e); and (iii) the requirements of Health & Safety Code Section 25292.3
21 (collectively referred to as "Post- Consent Judgment Claims"). Any penalties or other relief
22 sought by Plaintiffs for such violations or alleged violations shall be sought by noticed motion.
23 Plaintiffs shall notify Settling Defendants in writing of such alleged violations and shall meet
24 and confer with Settling Defendants within twenty (20) business days of such written notice
25 prior to filing any such motion. The Parties shall negotiate in good faith in an effort to resolve
26 any further penalty assessments or other relief pursuant to this Paragraph without judicial
27 intervention. In seeking penalties pursuant to this Paragraph, Plaintiffs will give due
28 consideration to the amounts already paid by Settling Defendants under this Consent Judgment,

1 to the fact that such violations are self-reported by Settling Defendants pursuant to the
2 requirements of this Consent Judgment, and to the presence or absence of any environmental
3 harm directly caused by or resulting from the alleged violation. Settling Defendants reserve all
4 defenses in law and equity they may have with regard to any such Post-Consent Judgment
5 Claims including the amount of any penalties sought.

6 7.5 The matters which are addressed as set forth in Paragraphs 6.1 through
7 6.7, Paragraph 7.1, Paragraph 7.2, Paragraph 7.3, or which are subject to this Court's continuing
8 jurisdiction pursuant to Paragraph 7.4 are a "Covered Matter".

9 7.6 Any violations of law, statute, regulation or ordinance, including but not
10 limited to Chapter 6.7 of the California Health and Safety Code, which are based on facts not
11 expressly alleged by the Complaint or addressed as a Covered Matter are not resolved, settled,
12 or covered by this Consent Judgment.

13 7.7 Settling Defendants covenant not to sue or pursue any civil or
14 administrative claims against Plaintiffs or agencies of the State of California or the City and
15 County of San Francisco or their officers, employees, representatives, agents or attorneys arising
16 out of or related to any matter expressly addressed by this Consent Judgment, except for the
17 purpose of enforcing Plaintiffs' obligations under this Consent Judgment.

18 7.8 Notwithstanding any other provision of the Consent Judgment, any
19 claims or causes of action for performance of cleanup, corrective action or response action, or
20 claims or causes of action for criminal penalties, civil penalties, damages, injunctive relief, or
21 recovery of response costs concerning or arising out of possible or actual past or future releases,
22 spills, leaks, discharges or disposal of motor vehicle fuels, hazardous wastes or hazardous
23 substances caused or contributed to by Settling Defendants at locations at or around the ARCO
24 Facilities or any other facility addressed by this Consent Judgment are not resolved by this
25 Consent Judgment, and such claims or causes of action are reserved by the Plaintiffs.

26 7.9 Except as provided by this Consent Judgment, the Parties reserve the
27 right to pursue any claims not covered by this Consent Judgment and any defense to such
28 reserved claims.

1 7.10 In any subsequent action that may be brought by Plaintiffs to enforce any
2 reserved claims or claims excluded from this settlement, Settling Defendants will not assert,
3 plead or raise against Plaintiffs in any fashion any defense or avoidance based on i) splitting of
4 claims; ii) laches or similar defenses concerning either the timeliness of commencing such
5 action separate from this action; or iii) the appropriateness of bringing such later claims against
6 Settling Defendants separate from this action. This Paragraph does not affect any statute of
7 limitations, if any, which may be applicable to any reserved claims or claims excluded from this
8 settlement.

9 7.11 The Parties do not intend nor does the Consent Judgment affect any other
10 pending lawsuits that currently allege violations of the upgrade provisions of Chapter 6.7 of the
11 Health and Safety Code against any of the Settling Defendants brought by the People of the
12 State of California. Notwithstanding the foregoing, in the pending case of People v. Atlantic
13 Richfield Company, et al., Case No. 80-40-30 (O.C. S. Ct. 1999), the People shall not seek civil
14 penalties, injunctive relief, or any other remedy for such alleged violations. This Consent
15 Judgment does not: i) require the People to refrain from alleging in the foregoing action that
16 Settling Defendants failed to meet the December 22, 1998 state and federal upgrade
17 requirements for Underground Tank Systems at gas station sites in Orange County; ii) require
18 Settling Defendants to refrain from challenging such allegations; or iii) alter any rights the
19 Settling Defendants may have in that action.

20 7.12 If any action is brought in any other court or administrative body against
21 Settling Defendants which addresses a Post-Consent Judgment Claim, the Settling Defendants
22 shall notify Plaintiffs and this Court of such action within thirty (30) days of service of that
23 action on them; provided, however, that Settling Defendants' failure to notify Plaintiffs and this
24 Court within the thirty(30) day period will not relieve Plaintiffs of their obligations under this
25 Paragraph 7.12 except to the extent that Settling Defendants delay in providing notice prevents,
26 limits or interferes with Plaintiffs' ability to fulfill such obligations. Plaintiffs will cooperate
27 with Settling Defendants in addressing the jurisdictional issues arising out of such action and
28 will take whatever steps Plaintiffs deem appropriate to preserve the exclusive jurisdiction of this

1 Court over the Post-Consent Judgment Claims and to effectuate the intent of Paragraph 7.4.

2
3 8. NOTICE.

4 All submissions and notices required by this Consent Judgment shall be sent to:

5 For Plaintiffs:

6 Reed Sato, Esq.
7 Deputy Attorney General
8 Office of the Attorney General
9 1300 "I" Street
10 P.O. Box 944255
11 Sacramento, California 94244-2550

12 and to:

13 James Giannopoulos
14 Assistant Division Chief
15 Division of Clean Water Programs
16 State Water Resources Control Board
17 1001 "I" Street
18 P.O. Box 944212
19 Sacramento, California 94244-2120

20 and for notices and submissions pertaining to the San Francisco Facilities shall also be
21 sent to:

22 Curtis Christy-Cirillo, Esq.
23 City Attorney's Office
24 City and County of San Francisco
25 1390 Market Street, Sixth Floor
26 San Francisco, California 94102

27 and to:

28 District Inspector
Department of Public Health
H.U.M.P.A. Program
1390 Market Street, Suite 210
San Francisco, California 94102

1 For Settling Defendants:

2 Deborah P. Felt, Esq.
3 BP Legal Western Region
333 South Hope Street, Room 2048
4 Los Angeles, California 90071

5 and to:

6 James R. Asperger, Esq.
7 O'Melveny & Myers LLP
400 South Hope Street
8 Los Angeles, California 90071-2809

9 Any Party may change the address for purpose of notices to that Party by a notice
10 specifying a new address, but no such change is effective until it is actually received by the
11 Party sought to be charged with its contents. All notices and other communications required or
12 permitted under this Consent Judgment that are addressed as provided in this Paragraph are
13 effective upon delivery if delivered personally or by overnight mail, or are effective five (5)
14 days following deposit in the United States mail, postage prepaid, if delivered by mail.

15 9. **NECESSITY FOR WRITTEN APPROVALS**

16 All approvals and decisions of the Plaintiffs regarding any matter requiring
17 approval or decision of the Plaintiffs under the terms of this Consent Judgment shall be
18 communicated in writing to Settling Defendant. No informal oral advice, guidance,
19 suggestions, or comments by employees or officials of the Plaintiffs or representatives of any
20 instrumentality, agency, board or department of the State of California, including the California
21 Environmental Protection Agency and the California State Water Resources Control Board, or
22 the San Francisco Public Health Department regarding submissions or notices shall be construed
23 to relieve Settling Defendants of their obligations to obtain the final written approvals required
24 by this Consent Judgment. All approvals and decisions of Settling Defendants, and each of
25 them, regarding any matter requiring approval or decision of Settling Defendants under the
26 terms of this Consent Judgment shall be communicated in writing by the appropriate Settling
27 Defendant(s).

28 ///

1 10. EFFECT OF JUDGMENT.

2 Except as expressly provided in this Consent Judgment, nothing in this Consent
3 Judgment is intended nor shall it be construed to preclude Plaintiffs or any state agency,
4 department, board or entity or any local agency from exercising its authority under any law,
5 statute, or regulation at the ARCO Facilities or any other facility addressed or identified in this
6 Consent Judgment.

7 11. PLAINTIFFS ARE NOT LIABLE.

8 The Plaintiffs shall not be liable for any injury or damage to persons or property
9 resulting from acts or omissions by Settling Defendants, their directors, officers, employees,
10 agents, representatives or contractors in carrying out activities pursuant to this Consent
11 Judgment, nor shall the Plaintiffs be held as a party to or guarantor of any contract entered into
12 by Settling Defendants, their directors, officers, employees, agents, representatives or
13 contractors in carrying out activities required pursuant to this Consent Judgment.

14 12. NO WAIVER OF RIGHT TO ENFORCE.

15 The failure of the Plaintiffs to enforce any provision of this Consent Judgment
16 shall in no way be deemed a waiver of such provision, or in any way affect the validity of this
17 Consent Judgment. The failure of the Plaintiffs to enforce any such provision shall not preclude
18 it from later enforcing the same or any other provision of this Consent Judgment. No oral
19 advice, guidance, suggestions or comments by employees or officials of any Party regarding
20 matters covered in this Consent Judgment shall be construed to relieve any Party of its
21 obligations required by this Consent Judgment.

22 13. REGULATORY CHANGES.

23 Nothing in this Consent Judgment shall excuse Settling Defendants from meeting
24 any more stringent requirements which may be imposed hereafter by changes in applicable and
25 legally binding legislation or regulations.

26 14. APPLICATION OF CONSENT JUDGMENT.

27 This Consent Judgment shall apply to and be binding upon the Plaintiffs, Settling
28 Defendants, and each of them, and the successors or assigns of each of them.

1 15. AUTHORITY TO ENTER CONSENT JUDGMENT.

2 Each signatory to this Consent Judgment certifies that he or she is fully
3 authorized by the party he or she represents to enter into this Consent Judgment, to execute it on
4 behalf of the party represented and legally to bind that party.

5 16. CONTINUING JURISDICTION.

6 The Court shall retain continuing jurisdiction to enforce the terms of this Consent
7 Judgment.

8 17. PENALTIES FOR NONCOMPLIANCE.

9 Any Party may, by noticed motion or order to show cause, enforce the terms and
10 conditions contained in this Consent Judgment. Failure to comply with the terms of this
11 Consent Judgment shall subject a party to further relief and for any attorneys fees, expert
12 witness fees or costs reasonably incurred by the prevailing party in enforcing the terms of this
13 Consent Judgment. Plaintiffs may move this court to enjoin Settling Defendants from any
14 violation of any provision of this Consent Judgment and for civil penalties as provided in this
15 Paragraph. Settling Defendants, and each of them, shall be liable for a civil penalty not to
16 exceed \$25,000 for each material violation of the provisions of the Consent Judgment except
17 that Settling Defendants, and each of them, shall be liable for a stipulated civil penalty of
18 \$25,000 for each day that the payment required pursuant to Paragraph 5.2 is late. The Parties
19 shall meet-and-confer prior to the filing of any motion to assess penalties pursuant to this
20 Paragraph and shall negotiate in good faith in an effort to resolve any penalty assessments
21 pursuant to this Paragraph without judicial intervention.

22 18. INTEGRATION.

23 This Consent Judgment constitutes the entire agreement between the parties and
24 may not be amended or supplemented except as provided for in the Consent Judgment.

25 19. MODIFICATION OF CONSENT JUDGMENT.

26 This Consent Judgment may be modified only upon written consent by the
27 parties hereto and the approval of the court.

28 ///

1 20. CERTIFICATION.

2 Whenever this Consent Judgment requires the certification by the Settling
3 Defendants, such certification shall be provided by an ARCO employee at a managerial level in
4 charge of environmental compliance matters or an officer of the corporation. Each certification
5 shall read as follows:

6 To the best of my knowledge, based on information and belief and after
7 reasonable investigation, I certify that the information contained in or
8 accompanying this submission is true, accurate, and complete. I am aware that
9 there are significant penalties for submitting false information, including the
10 possibility of fine and imprisonment for knowing violations.

11 21. ENFORCEMENT OF JUDGMENT.

12 In the event that a Party brings an action to enforce any of the terms of this
13 Consent Judgment, the prevailing party shall be entitled to its reasonable costs of enforcement,
14 including attorney fees and costs, including any costs for expert witnesses or other costs of
15 enforcement.

16 22. PAYMENT OF LITIGATION EXPENSES AND FEES.

17 Settling Defendants, and each of them, shall pay their own attorney fees, expert
18 witness fees and costs, and all other costs of litigation incurred to date.

19 23. INTERPRETATION.

20 This Consent Judgment shall be deemed to have been drafted equally by all
21 parties hereto. Accordingly, the Parties hereby agree that any and all rules of construction to the
22 effect that ambiguity is construed against the drafting party shall be inapplicable in any dispute
23 concerning the terms, meaning, or interpretation of this Consent Judgment.

24 24. NOTIFICATION OF OWNERS AND OPERATORS OF
25 AFFECTED SYSTEMS.

26 Within ten (10) business days after the entry of the Consent Judgment, ARCO
27 shall provide via certified mail a summary of this Consent Judgment to each owner and operator
28 of an ARCO Facility. The text of the summary is set forth in Exhibit "H". A copy of each
notification required by this paragraph and the certified mail receipt shall be provided to the
Plaintiffs within twenty (20) business days of delivery of such notification to such owner and

1 operator. ARCO shall make a copy of the Consent Judgment available to any owner or operator
2 of an ARCO Facility upon request.

3 **25. COUNTERPART SIGNATURES.**

4 This Consent Judgment may be executed by the parties in counterpart, and when
5 a copy is signed by an authorized representative of each party, the stipulation shall be effective
6 as if a single document were signed by all parties.

7 **26. TERMINATION OF INJUNCTIVE PROVISIONS**

8 Settling Defendants' obligations pursuant to Paragraph 6 of this Consent
9 Judgment shall terminate on January 1, 2004. The Court shall retain jurisdiction to address any
10 matters over which its has jurisdiction pursuant to Paragraph 6 of this Consent Judgment which
11 are noticed on or before March 1, 2004.

12 **27. INCORPORATION OF EXHIBITS**

13 Each of the Exhibits "A" through "H" are incorporated herein by reference.

14 **28. ENTRY AFTER NOTICED MOTION**

15 This Consent Judgment shall be brought before the Court for approval on noticed
16 motion and the Court shall be requested to make a fairness determination in order to ensure that
17 this Consent Judgment is fair and in the public interest. By entering this Consent Judgment, the
18 Court finds that its action results in a full, fair, and final resolution of the claims which were or
19 could have been raised in the Complaint based on the facts alleged therein.

20

21

22

23

24

25

26

27

28

1 IT IS SO STIPULATED:
2 FOR THE PLAINTIFFS

3 Dated: June 19, 2002

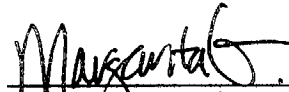
BILL LOCKYER, Attorney General
of the State of California
RICHARD M. FRANK
Chief Assistant Attorney General
THEODORA P. BERGER
Senior Assistant Attorney General
REED SATO
WILLIAM BRIEGER
MELINDA VAUGHN
Deputy Attorneys General



REED SATO
Deputy Attorney General
Attorneys for Plaintiff, People of the State
of California

12 Dated: June 19, 2002

DENNIS HERRERA,
City Attorney
JOANNE HOEPER
Chief Trial Attorney
MARGARITA GUTIERREZ,
ROSE-ELLEN HEINZ,
CURTIS CHRISTY-CIRILLO,
Deputy City Attorneys

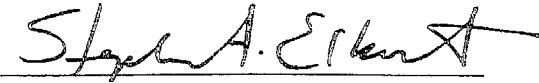


MARGARITA GUTIERREZ,
Deputy City Attorney
Attorneys for Plaintiff, People of the State
of California

FOR THE SETTLING DEFENDANTS:

FOR ATLANTIC RICHFIELD COMPANY

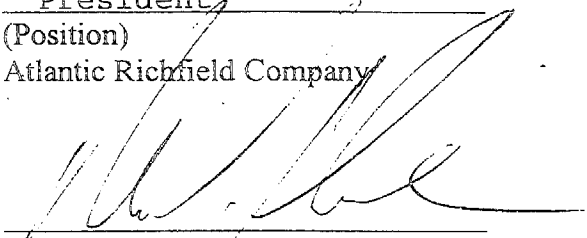
Dated: June 13, 2002

DPF 

Stephen A. Elbert
(typed name)

President
(Position)
Atlantic Richfield Company

Dated: June 12, 2002

DPF 

Mark J. Friedman
(typed name)

Assistant Secretary
(Position)
Atlantic Richfield Company

FOR PRESTIGE STATIONS, INC.

Dated: June __, 2002

(typed name)

(Title)
Prestige Stations, Inc.

Dated: June __, 2002

(typed name)

(Title)
Prestige Stations, Inc.

FOR THE SETTLING DEFENDANTS:

FOR ATLANTIC RICHFIELD COMPANY

Dated: June __, 2002

(typed name)

(Position)
Atlantic Richfield Company

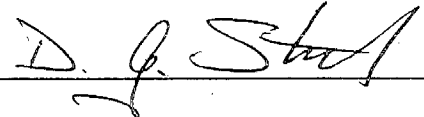
Dated: June __, 2002

(typed name)

(Position)
Atlantic Richfield Company

FOR PRESTIGE STATIONS, INC.


Dated: June 14, 2002

DPF 

Donald G. Strenk
(typed name)

President
(Title)
Prestige Stations, Inc.

Dated: June 14, 2002

DPF 


Daniel M. Hennessy
(typed name)

Vice President
(Title)
Prestige Stations, Inc.

1 Approved as to Form:

O'MELVENY & MYERS LLP

2
3
4 Dated: June 13, 2002


JAMES R. ASPERGER
Attorneys for Atlantic Richfield Company
and Prestige Stations, Inc.

5
6
7
8 IT IS SO ORDERED,

9 Dated: 7/17/02


JUDGE OF THE SUPERIOR COURT

JAMES J. McBRIDE

10
11
12
13
14 LA2:623741.2